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THE Market Administrator's BULLETIN

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Slightly More Livestock and Poultry To Be Fed During 1961

The total number of livestock and poultry to be fed in 1960-61, in terms of grain-consuming animal units, is estimated at 167.5 million units, slightly more than in 1959-60. Livestock and poultry numbers were below a year earlier this fall and winter, but some pickup in numbers is expected in April - September compared with that period of 1960.

Fewer hogs are on farms this winter than last as a result of a 17 percent reduction in the 1960 spring pig crop and 3 percent fewer fall pigs. This will hold hog numbers below a year earlier through the early months of 1961. This spring and summer hog numbers will probably increase relative to 1960, since producers plan a 5 percent increase in the 1961 spring hog crop.

Grain feeding of cattle has been a little heavier this year than last. Last October, there were 2 percent more cattle on feed than a year earlier and on January 1 there were 6 percent more. The numbers of layers on farms January 1 this year was down 4 percent from a year earlier but numbers are increasing and probably will be above a year earlier this summer. Turkey producers are planning to increase the number raised in 1961.

While livestock production is lower this winter than last, prices are higher. During November-January the index of prices received by farmers for livestock and livestock products averaged about 8 percent higher than a year earlier, while prices received for feed grains were 7 percent lower. Feed prices, which have been low in relation to livestock prices since 1957, have become relatively lower this winter. The hog-corn, beef steer-corn, egg-feed and dairy product-feed price ratios are all substantially above average. Low feed cost this year is expected to result in continued heavy feeding of grains and other concentrates per animal unit.

JANUARY 1 STOCKS OF FEED GRAINS UP NEARLY 14 MILLION TONS

January 1 stocks of the four feed grains in all positions totaled nearly 183 million tons, 14 million tons or 8 percent more than on that date last year. Stocks of corn, oats, and sorghum grain were larger than a year ago while barley stocks were slightly smaller. The big stocks were again larger than in any past year either in total or in relation to the number of livestock to be fed.

The 183 million tons included 74 million under loan or owned by CCC, leaving 109 million tons outside of the price support program. Stocks outside of the price support program were slightly larger than the 107 million tons a year earlier. Last year's total of 169 million tons included 62 million under loan or owned by CCC.

PARITY EQUIVALENT FOR MANUFACTURING MILK

By direction of the Secretary of Agriculture, the parity price equivalent for manufacturing milk is determined as follows: (1) Based on data for the 10 calendar years immediately preceding, determine the ratio of (a) the average price received by farmers, f.o.b. plant for all milk sold for use in the production of American cheese, evaporated milk, and butter and by-products to (b) the average price received by farmers for all milk sold wholesale to plants and dealers. (2) the resulting ratio is multiplied by the parity price for all milk sold wholesale to determine the parity price equivalent for manufacturing milk.

The factor to be used during a particular calendar year is computed in January of that year, using price data available at the date of computation. The factor to be used during 1961 is 79.7 percent, which compared with 80.0 percent during 1960. The parity price for all milk wholesale, $5.12 per cwt., based on data for January 1961, multiplied by 79.7 percent, results in $4.08 per cwt., the parity equivalent for milk for manufacture. This parity equivalent relates to the national average price for all manufacturing milk of average milkfat content used for the three principal manufacturing purposes. In 1960 the simple average of monthly tests was 3.83 percent, ranging from a low of 3.70 percent in April to a high of 4.02 in October and November. Note that the parity equivalent for milk for manufacturing is not in itself a parity price but rather is an administrative determination based on the price relationships referred to above.

Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY	Jan. 1961	Dec. 1960	Jan. 1960
Producers' Uniform Price (3.5%)	$4.49	$4.79	$4.46
Producers' Uniform Price (4%)	4.885	5.185	4.845
Class I (3.5%)	4.74	4.782	4.685
Class II (3.5%)	4.34	4.382	4.285
Class III (3.5%)	4.017	4.063	3.777
Class IV (3.5%)	3.096	3.092	2.996
Producer Butterfat Differential for each 1/10%	7.9¢	7.9¢	7.7¢
UTILIZATION SUMMARY			
Percent of Producer Milk In Class I	81.1	79.8	83.2
" " " B.F. " " I	74.3	74.3	76.5
" " " Milk " " II	6.7	6.2	6.3
" " " B.F. " " II	2.0	2.0	1.9
" " " Milk " " III	1.7	1.7	2.1
" " " B.F. " " III	2.1	1.8	3.1
" " " Milk " " IV	10.5	12.3	8.4
" " " B.F. " " IV	21.6	21.9	18.5
PRODUCTION SUMMARY			
Total Pounds of Producer Milk Delivered	29,526,971	28,880,166	28,244,823
Average Daily Class I Producer Milk	772,808	743,554	758,297
Total Number of Producers	1,497	1,545	1,696
Average Daily Production per Producer	636	603	537
Average Butterfat Test	3.92	3.97	3.96
Total Value of Producer Milk at Test	$1,421,019.22	$1,407,078.75	$1,357,600.18
Income per Producer (7 Day Average)	$214.35	$205.65	$180.75
GROSS CLASS USE (Pounds)			
Class I Skim	23,097,255	22,197,099	22,652,068
" I B.F.	859,785	853,072	855,154
" I Milk	23,957,040	23,050,171	23,507,222
" II Skim	2,034,287	1,833,436	1,832,927
" II B.F.	22,784	22,272	21,617
" II Milk	2,057,071	1,855,708	1,854,544
AVERAGE DAILY SALES (Quarts)			
Milk	297,206	303,085	297,564
Buttermilk	4,538	4,588	4,953
Chocolate	16,797	14,224	16,469
Skim	11,867	11,301	11,818
Cream	8,271	9,325	8,580

COMPARATIVE STATISTICS ★ **COLUMBUS MARKETING AREA** ★ Jan., 1952-61

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1952.....	16,456,769	4.14	85.3	13.0	1.7	——	5.19	5.269	4.869	4.093	——	2,094	254
1953.....	19,750,387	4.09	80.4	13.5	6.1	——	4.57	4.715	4.315	3.64	——	2,218	287
1954.....	23,085,076	4.06	73.5	12.9	13.6	——	4.13	4.34	3.94	3.46	——	2,243	332
1955.....	23,237,473	3.97	78.1	7.2	5.5	9.2	3.95	4.142	3.742	3.742	3.166	2,146	349
1956.....	24,586,227	3.94	77.8	8.1	6.4	7.7	3.94	4.125	3.725	3.725	3.142	2,085	380
1957.....	23,716,076	3.90	86.0	7.6	3.1	3.3	4.46	4.554	4.154	4.054	3.067	1,936	395
1958.....	25,086,958	3.86	84.9	7.3	2.9	4.9	4.28	4.411	4.011	3.911	3.088	1,857	436
1959.....	24,104,575	3.94	86.7	7.5	1.6	4.2	4.34	4.442	4.042	3.942	2.867	1,705	456
1960.....	28,244,823	3.96	83.2	6.3	2.1	8.4	4.46	4.685	4.285	3.777	2.996	1,696	537
1961.....	29,526,971	3.92	81.1	6.7	1.7	10.5	4.49	4.74	4.34	4.017	3.096	1,497	636

USDA Issues Federal Milk Marketing Order For Indianapolis Area

A Federal order regulating the handling of milk in the Indianapolis, Indiana marketing area went into effect February 1.

Pricing and payment provisions of the order will begin a month later, on March 1.

Of the 3,315 area milk producers voting in a recent referendum, 3,141 (94.75 percent) approved issuance.

The order establishes minimum prices which handlers distributing milk in the marketing area must pay producers. It does not regulate retail prices.

The marketing area to be regulated by the new order comprises a population area of more than 1.6 million people, including the cities of Indianapolis, Muncie, Anderson, Richmond, Kokomo, LaFayette and Marion. Altogether it covers 21 Indiana counties.

Under the order, milk will be classified and priced according to the use made of it. The Class I price will apply to all milk and cream distributed in fluid form. Class II will be milk used in manufactured dairy products.

For the first 18 months the order is in effect, the minimum annual average price handlers will be required to pay producers per hundredweight for Class I milk will be $1.25 over a basic formula price (the "Midwest condensery price" or a price based on a butter-powder formula, whichever is higher). The Class II price would be the basic formula price.

Proceeds from the sale of milk will be distributed among producers through a "marketwide pool." Under this arrangement, payments for both classes of milk due from all handlers in the area will be combined, then averaged, and paid out to producers at a uniform or "blend" price per hundredweight.

Compensatory payments will be required on milk distributed in the Indianapolis area as Class I, if it comes from sources not regulated by any Federal milk marketing order. These payments will go into the pricing pool.

The order includes a seasonal incentive payment plan, to provide incentive for a more level production throughout the year.

Pool plants will include those distributing 50 percent of their Grade A receipts on routes, and 10 percent of those receipts on routes within the Indianapolis marketing area. A supply plant will have pool status by delivering 50 percent of its receipts from farmers to a pool distributing plant. Supply plants establishing pool status in each of the months of August through January will have automatic pool status during the ensuing April through July period.

The Indianapolis milk marketing order is based on evidence received at a public hearing in Indianapolis last April.

LARGER QUANTITIES OF FEED GRAINS GOING UNDER PRICE SUPPORT

Through December 1960, farmers had placed larger quantities of each of the four feed grains under price support than in the same period of 1959. The 152 million bushels of corn placed under loan and purchase agreement was 30 million bushels more than in the same period of 1959, and one of the heaviest of record for that period. The 130 million bushels of sorghum grain placed under price support also was substantially larger than in the same period of 1959, but was below the large quantities placed under price support in the same period of 1958. Larger quantities of oats and barley also had been placed under price support through December this year than last, but the volume of these grains was substantially below the large quantities placed under the program in 1957 and 1958. Increased price support activity this year reflects the larger feed grain crops and lower prices in the early months of the 1960-61 marketing year than a year earlier. The total quantity of the four feed grains placed under price support in 1960-61 probably will exceed the 19.1 million tons placed under price support in 1959-60.

DRY BUTTERMILK

The 1960 annual production of dry buttermilk, at 87 million pounds, was up 7 percent from a year earlier and one-third larger than the 1954-58 average. December output was 6.8 million pounds, a loss of 5 percent from December 1959 but a gain of 37 percent from the 5-year average for the month.

Five Percent Increase In Feed Concentrate Supply

Another record supply of feed contrates is available for the 1960-61 feeding year, totaling 273 million tons, 5 percent above the 1959-60 supply. The number of grain-consuming animal units to be fed in 1960-61 is estimated to be slightly above the 167 million in 1959-60, reflecting increased number of cattle and expanding production of hogs and poultry. The feeding per animal unit is expected to continue heavy this year. In October-December, total dissappearance of feed grains was about the same as in that quarter of 1959, even though hog and poultry numbers were down in that period from a year earlier. This would indicate the rate of feeding for the entire 1960-61 feeding year may exceed the record high of .95 ton in 1959-60. Allowing for some increase in feeding in January-September over a year earlier, the total tonnage of all feed concentrates fed in the 1960-61 October-September feeding year will be a little above the 159 million tons fed in 1959-60. Total feed concentrates used domestically and for export probably would increase by around 5 million tons over the 184 million tons in 1959-60. The carryover of feed grains into 1961-62 in this event would increase around 8 to 10 million tons over the 75 million tons carried over last year.

FLUID CREAM SALES REMAIN STABLE

Among all the fluid milk products, the most surprising development during 1960 was the stability in sales figures for fluid cream. For a number of years, sales of cream have been running smaller than a year earlier, as much as 5 or 6 percent in some years. In contrast, sales of milk and cream mixtures have increased steadily. This reflects a trend on the part of consumers to use less cream and at the same time to use milk and cream mixtures in those cases calling for a coffee cream type of product. Thus it is significant that in the first eight months of 1960, total sales of fluid cream were larger than a year earlier, if only by 0.2 percent.

Population of Marketing Areas Continues To Increase

Changes in the number of persons residing within marketing areas under Federal regulations are influenced by three factors: expansion of existing marketing areas, the introduction of regulation in new marketing areas, and population growth.

Based on 1950 Census data, the total population residing in marketing areas under Federal milk orders was 48.6 million on January 1, 1957; and on December 31, 1960, it was 74.2 million. Enlargement of marketing areas accounted for 14.2 million, or over half (55.5 percent) of the increase which occurred during this four year period, while 11.4 million of the increase was due to the establishment of new orders.

Market Quotations

	January 1961
12 MIDWEST CONDENSERIES 3.5% per Cwt.	$3.415
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.9950
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	3.081
Evaporated Milk Code Price, 3.5% per Cwt.	2.931
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.1745
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.146
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.170
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo)	3.044
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.)	3.044
Average Weekly Cheddars price per lb.	.3675
Average price per lb. non-fat dry milk solids, roller process delivered Chicago	.1380
Average price per lb. 92-score butter at Chicago	.60466
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1319

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